

## **DIVISION 1 - GENERAL REQUIREMENTS**

### **SECTION 01027 - APPLICATIONS FOR PAYMENT**

#### **PART 1 - GENERAL**

##### **1.01 - SUMMARY**

- A. This Section specifies administrative and procedural requirements governing the Contractor's Applications for Payment.
  - 1. Coordinate the Contract Cost Breakdown with Applications for Payment with the Work Breakdown Structure of the Contractor's Construction Schedule, Submittal Schedule, and List of Subcontracts.
- B. Related Sections: The following Sections contain requirements that relate to this Section.
  - 1. Schedules: The Contractor's Construction Schedule and Submittal Schedule are specified in Section 01310 Progress Schedules.

##### **1.02 - CONTRACT COST BREAKDOWN**

- A. Coordination: The Prime contractor shall coordinate the preparation of the Contract Cost Breakdown with the Construction Schedule.
  - 1. Correlate line items in the Contract Cost Breakdown with other required administrative schedules and forms, including:
    - a. Contractor's Construction Schedule.
    - b. Application for Payment forms.
    - c. List of subcontractors.
    - d. Schedule of alternates.
    - e. List of products.
    - f. List of principal suppliers and fabricators.
    - g. Schedule of submittals.
  - 2. Submit the Contract Cost Breakdown to the Architect and the EPA at least two (2) weeks prior to first pay voucher.
- B. Format and Content: Provide at least one (1) line item for each Specification Section. Line item to indicate both labor and material as separate items.

1. Provide Contract Cost Breakdown in sufficient detail to facilitate continued evaluation of Applications for Payment and progress reports. Coordinate with the Project Manual table of contents. Break principal subcontract amounts down into several line items.
2. Round amounts to nearest whole dollar; the total shall equal the Contract Sum.
3. Provide a separate line item in the Contract Cost Breakdown for each part of the Work where Applications for Payment may include materials or equipment, purchased or fabricated and stored, but not yet installed.
  - a. The EPA may refuse to pay for materials delivered ahead of schedule if it is apparent they have been ordered to "front load" the Project payments.
  - b. Differentiate between items stored on-site and items stored off-site. Include requirements for insurance and bonded warehousing, if required.
4. Provide separate line items on the Contract Cost Breakdown for initial cost of the materials, for each subsequent stage of completion, and for total installed value of that part of the Work.
5. Margins of Cost: Show line items for indirect costs and margins on actual costs only when such items are listed individually in Applications for Payment. Each item in the Contract Cost Breakdown and Applications for Payment shall be complete. Include the total cost and proportionate share of general overhead and profit margin for each item.
6. The Architect and the EPA will review the initial Contract Cost Breakdown submittal and respond with revisions and additional line items required.
7. The Contractor shall modify the Contract Cost Breakdown as required.
8. Contract Cost Breakdown Updating: Update and resubmit the Contract Cost Breakdown prior to the next Application for Payment when Change Orders result in a change in the Contract Sum.

### **1.03 - APPLICATIONS FOR PAYMENT**

- A. Each Application for Payment shall be based on the approved Contract Cost Breakdown and consistent with previous applications and payments.
  1. The initial Application for Payment and the final Application for Payment involve additional requirements.

- B. Payment-Application Times: The period of construction Work covered by each Application for Payment is the period indicated in the Contract.
- C. Application Preparation: Include notarization and execution by a person authorized to sign legal documents on behalf of the Contractor. The EPA will return incomplete applications without action.
  - 1. Entries shall match data on the Contract Cost Breakdown and the Contractor's Construction Schedule. Use updated schedules if revisions were made.
  - 2. Include amounts of Change Orders approved prior to the last day of the construction period covered by the application.
  - 3. Include all necessary documentation required to demonstrate Contractor's right to payment. Provide such additional documentation as requested by the EPA.

END